

Message Text

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PAGE 01 TAIPEI 05198 070858Z
ACTION EB-08

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FM AMEMBASSY TAIPEI
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INFO AMEMBASSY TOKYO
USMISSION GENEVA

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TOKYO FOR ASSISTANT SECRETARY OF COMMERCE WEIL
GENEVA FOR PHELAN
FROM US TEXTILE DELEGATION

E.O. 11652: N/A
TAGS: EPAP, TW
SUBJECT: TEXTILES: EXPORTS FROM THE USA

1. OVER THE PAST THREE WEEKS, DURING THE COURSE OF TEXTILE CONSULTATIONS WITH HONG KONG, KOREA, JAPAN, AND THE REPUBLIC OF CHINA, THE USTXDEL HAS RAISED THE MATTER OF INCREASING US TEXTILE AND APPAREL EXPORTS TO THESE FOUR COUNTRIES. EACH OF THE FOUR COUNTRIES REACTED IMMEDIATELY AND POSITIVELY, ALL SAYING THEY WOULD WELCOME A U.S. TEXTILE EXPORT DRIVE.

2. PUTTING ASIDE FOR A MOMENT THE PROBLEM OF TARIFFS AND/OR NTBS IN THE FAR EAST (ONLY KOREA HAS ANY MEANINGFUL NTB'S AGAINST US TEXTILE EXPORTS), THE ONE COMMON THEME WHICH RAN THROUGH THE COMMENTS OF THE FOUR COUNTRIES' RESPONSES WAS THAT US TEXTILE BUSINESSMEN (I.E., EXPORTERS, NOT IMPORTERS) SIMPLY SEEMED TO IGNORE THE MARKETS HERE AS

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PAGE 02 TAIPEI 05198 070858Z

IF THESE BUSINESSMEN EITHER DIDN'T CARE OR DIDN'T REALIZE THE POTENTIAL. ALL FOUR FOREIGN DELEGATIONS CITED A LACK OF US AGGRESSIVENESS IN MARKETING, LACK OF WILLINGNESS TO TAILOR TO THE LOCAL FASHIONS, SIZES, ETC, A LACK OF REASONABLE FINANCING, CREDIT, AND DELIVERY TERMS. MOST OF ALL, ACCORDING TO THE HOST COUNTRY OFFICIALS, AMERICAN TEXTILE BUSINESSMEN SEEMED TO EXPECT THAT FOREIGN

CUSTOMERS WOULD COME TO THEM RATHER THAN THE OTHER WAY AROUND.

3. THE USTEXDEL REMAINS PERSUADED THERE ARE GOOD AND PROMISING MARKETS FOR US TEXTILES IN THE FAR EAST. KOREA AND THE ROC, FOR THEIR OWN (AND SOMETIMES DIFFERENT) REASONS HAVE EMBARKED ON IMPORTANT QUOTE BUY AMERICA QUOTE PROGRAMS. HONG KONG AND JAPAN HAVE NO NTB BARRIERS (OTHER THAN PERHAPS THE JAPANESE TRADING COMPANIES). THERE WOULD APPEAR LITTLE OR NO REASON WHY THE US TEXTILE INDUSTRY COULD NOT DRAMATICALLY INCREASE ITS EXPORTS TO THE FAR EAST, ESPECIALLY IN THE MILL SECTOR, IF ONLY THE INDUSTRY WOULD EXERT ITSELF MORE. THIS IN TURN WOULD SEEM TO MANDATE THE USG'S PRESSURING THE TEXTILE TRADE ASSOCIATIONS, THROUGH OUTWARD LOOKING PEOPLE LIKE MORRIS BRYAN OF THE ATMI, TO GET MORE AND IMMEDIATELY INVOLVED IN THE EXPORT SIDE OF THE BUSINESS. THIS IS PARTICULARLY IMPORTANT AS THE BALANCE OF TEXTILE TRADE DEFICIT WIDENS AND TO TAKE ADVANTAGE OF THE CURRENT DOLLAR/YEN RATIOS.

4. IT MIGHT, THEREFORE, BE APPROPRIATE IF COMMERCE ASSISTANT SECRETARY WEIL WERE TO CONVENE EARLY THIS FALL A MEETING OF THE TOP LEADERSHIP OF THE US TEXTILE INDUSTRY TO HAMMER THE MESSAGE HOME. ALTERNATIVELY UNDER SECRETARY HARMON MIGHT MAKE THIS THE THEME OF HIS ADDRESS BEFORE THE BOBBIN SHOW IN MID-SEPTEMBER.

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PAGE 03 TAIPEI 05198 070858Z

WHAT THE US INDUSTRY REALLY NEEDS TO UNDERSTAND IS THAT IF IT (THE INDUSTRY) EXPECTS THE USG TO HELP ON THE TEXTILE IMPORT PROBLEM, THEN THE USG EXPECTS IN TURN THAT THE INDUSTRY WILL DO ITS PART ON THE EXPORT SIDE. TO DATE, THE OVERWHELMING PROPORTION OF THE INDUSTRY HAS EITHER BEEN WILLING OR UNABLE TO DO THIS.

USTEXDEL WOULD SUGGEST THIS MATTER BE PURSUED WITH BOB SHEPHERD OF COMMERCE OVER THE COURSE OF NEXT SEVERAL WEEKS.

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